GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2291
ANSWERED ON:29.07.2016
Corporate Social Responsibility
Godse Shri Hemant Tukaram;K. Shri Parasuraman;Kodikunnil Shri Suresh;Nishank Dr. Ramesh Pokhriyal;Patel Shri Devji Mansingram;Raghavan Shri M. K.;Rathore Shri Hariom Singh;Singh Shri Sunil Kumar;Sonkar Shri Vinod Kumar

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the details of expenditure incurred and work done by various Public Sector Undertakings (PSUs)/private sector companies during the last three years under Corporate Social Responsibility (CSR), PSU and company-wise;

(b) whether the Government has laid down any specific norms regarding the utilisation of funds under the CSR particularly in backward and SCs/STs dominated areas, if so, the details thereof;

(c) whether the Government has issued directions for those companies which are not spending funds under CSR, if so, the details thereof;

(d) whether the complaints of gross irregularities in awarding of contracts and execution of the projects/works under CSR have been received, if so, the details thereof along with the action taken by the Government thereon; and

(e) the further steps taken/mechanism set up by the Government to ensure the proper implementation of CSR projects/ works judiciously and with transparency?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL)
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(a): The year 2014-15 was the first year of implementation of Corporate Social Responsibility (CSR) by companies under Companies Act, 2013. An assessment of
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CSR expenditure of 4257 companies for the year 2014-15 indicates that 116 Public Sector Undertakings (PSUs) and 1790 Private Sector companies together have spent Rs 8029 crores during 2014-15 as summarised below:
CSR Expenditure during 2014-15 (in Rs. Crore)
Sr. No. Company Type Total companies No. of Companies with CSR expenditure No. of Companies with no CSR expenditure Actual CSR expenditure (in Rs. Crore) (2014-15)
1. PSUs 169 116 53 2364
2. Private Sector Companies 4088 1790 2298 5665

Total
4257
1906
2351
8029

Information relating to CSR expenditure on various developmental work for the year 2014-15 by companies is at Annexure.

(b) : Schedule VII of the Act, enlists the activities that can be undertaken by the companies under their CSR policies. Item No. (viii) of Schedule VII covers 'relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women' as eligible CSR activities.

(c) : Under Section 135 (5) of the Act, the Board of the CSR eligible company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy, provided that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

(d) : Selection of programmes/ projects/ activities to be undertaken under CSR, and procedures to be adopted for awarding contracts to implementing agencies etc., are decided by the Board of the company as per Section 135(3) & (4) of the Companies Act, 2013, and rules made thereunder.

(e) : The Ministry has issued Clarificatory Circular and FAQs on 18/06/2014 and 12/01/2016 respectively for facilitating effective implementation of CSR programmes / projects by companies under the legislation.
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